

**TITLE 2. ADMINISTRATION
DIVISION 3. STATE PROPERTY OPERATIONS
CHAPTER 1. STATE LANDS COMMISSION
ARTICLE 5.5 MARINE TERMINALS OIL PIPELINES**

NOTICE OF PROPOSED REGULATORY ACTION

The California State Lands Commission (the Commission) proposes to amend the regulation described below after considering all comments, objections or recommendations regarding the proposed action.

PROPOSED REGULATORY ACTION

The Commission proposes to amend Sections 2561, 2563, 2564, 2565, 2566 and 2567 of Article 5.5 in Title 2, Division 3, Chapter 1 of the California Code of Regulations (CCR).

WRITTEN COMMENT PERIOD

Any interested person or his or her authorized representative may submit written comments relevant to the proposed regulatory action to the Commission. The written comment Period closes at 5:00 pm on September 05, 2006. All written comments must be received at the Commission by that time. Written comments should be submitted to:

Livin Prabhu
Supervisor, Planning Branch
California State Lands Commission
Marine Facilities Division
200 Oceangate, suite 900
Long Beach, CA 90802

PUBLIC HEARING

The Commission has not scheduled a public hearing for this proposed action, However the Commission will hold a hearing if it receives a written request for a public hearing from any interested person, or his or her authorized representative, no later than 15 days before the close of the written comment period.

AUTHORITY AND REFERENCE

Authority: Sections 8755 and 8756, Public Resources Code.

Reference: Sections 8751, 8752, 8755, 8756 and 8757, Public Resources Code.

INFORMATIVE DIGEST / POLICY STATEMENT OVERVIEW

Article 5.5 of Title 2, Division 3, Chapter 1 of the California Code of Regulations became effective in August 1997. Since that date, staff of the Marine Facilities Division has monitored and reviewed the testing and maintenance of oil pipelines at marine terminals

in California. Over the years the Division has gained considerable knowledge and experience in the processes involved in testing pipelines. Additionally, there have been advances and improvements in standards and technology used in testing of pipelines. Many of these advancements have been incorporated into the recently approved Building Standards entitled "Marine Oil Terminal and Maintenance Standards" (MOTEMS) (24 CCR Chapter 31F, Divisions 1 through 11). The MOTEMS became effective on February 6, 2006. It has therefore become necessary to amend these regulations so as to ensure consistency with newly approved MOTEMS.

§ 8756 of Public Resources Code requires that the Commission's regulations always provide the best achievable protection of the public health and safety, and the environment. The proposed amendments will ensure that the provisions of PRC § 8756 are being met.

Section 2561(o). The proposed amendment in Section 2561(o) will update citation of the current standard of National Association of Corrosion Engineers (NACE) incorporated by reference.

Section 2563. A new specification would be added under this section incorporating the provisions of Divisions 9 and 10 of MOTEMS by reference. The title of Section 2563 would also be modified to incorporate this change.

Section 2564. The proposed amendments apply to subsection (a). An additional provision is being added to Subsection (a). This requires the renumbering of new sections (a) (1) and (a) (2). The existing provision of subsection (a) will now be renumbered (a) (1). The new provision is numbered (a) (2) and it would incorporate relevant provisions of MOTEMS by reference. The new subdivision (i) will require the terminal operators to mark pipelines that have no valid test certificate as provided for in MOTEMS. It would also require terminal operators to ensure that such pipelines conform to other provisions of MOTEMS.

Additionally, a new subsection (i) is being added to Section 2564. This new provision would require the terminal operator to provide the Marine Facilities Division (the Division) of the State Lands Commission with certain physical properties of the hydrocarbon liquid test medium when such a medium is intended to be used for testing. This information will enable the Division to monitor and gauge the accuracy of the test.

Section 2565. The first proposed amendment to this Section applies to Subsection (d) (1). The language of this subsection has been modified to remove the phrase "Where circumstances permit."

The second proposed amendment to subsection (d) (1) (A) is a new provision which would specify the ranges and resolution of the temperature recording devices used in conducting Static Liquid Pressure Tests (SLPTs) for water and liquid hydrocarbon test mediums.

The third proposed amendment to subsection (d) (1) (B) would, in addition to the existing requirement to record ambient air temperature during SLPTs, add extra requirements to record wind speed, precipitation and cloud cover during SLPTs.

The fourth proposed amendment to this section is the addition of new requirement in subsection (d) (2) requiring temperature measuring probes to be firmly attached to the pipe wall and insulated during SLP testing.

Section 2566. An additional subsection (a) (5) is being proposed to existing provisions of this Section. The new provision would, in addition to the existing notification requirements, require the terminal operator to notify the Division of the physical properties of the liquid hydrocarbon test medium.

The addition of this subsection necessitates the word “and” in subsection (a) (3) to be struck out and moved to the end of subsection (a)(4).

Section 2567. An additional provision is being added to subsection (c) (2). The proposed change would require the records of SLPTs to additionally include location of pressure monitoring instruments and temperature probes during SLP testing.

DIFFERENCES FROM FEDERAL REGULATIONS

The proposed amendments do not conflict with existing Federal Regulations in Part 195 of Title 49 of the Code of Federal Regulations.

DISCLOSURES REGARDING THE PROPOSED ACTION

The Commission has made the following initial determinations:

Mandate on local agencies and school districts: None

Cost or savings to any state agency: None

Cost to any local agency or school district which must be reimbursed in accordance with the Government Code Sections 17500 through 17360: None

Other nondiscretionary cost or savings imposed on local agencies: None

Cost or savings in federal funding to the state: None

Significant, statewide adverse economic impact directly affecting business including the ability of California businesses to compete with businesses in other states; None

Cost impacts on a representative private person or business: The Commission is not aware of any cost impacts that a representative private person or a business would necessarily incur in reasonable compliance to the proposed action.

Amendment of these regulations will not:

1. Create or eliminate jobs within California.
2. Create new businesses or eliminate existing business within California; or
3. Affect the expansion of businesses currently doing business in California.

Significant impact on housing costs: None

SMALL BUSINESS DETERMINATION

The Commission has determined that the amendment of these regulations do not affect small businesses defined in Government Code Section 11342.610, because all affected businesses are maritime oil transportation and terminal owners and operators, as specified under Government Code Section 11342.610(c) (7) and having annual gross receipts of more than \$1,500.000.

CONSIDERATION OF ALTERNATIVES

In accordance with Government Code Section 11346.5, subdivision (a) (13), the Commission must determine that no reasonable alternative it considered or that has been identified and brought to the attention of the Commission would be more effective in carrying out the purpose for which the action is proposed or would be as effective and less burdensome to affected private persons than the proposed action.

The Commission invites interested persons to present statements or arguments with respect to alternatives to the proposed amendments during the written public comment period.

CONTACT PERSON

Inquiries concerning the proposed regulatory action may be directed to:

Livin Prabhu
Supervisor, Planning Branch
State Lands Commission
Marine Facilities Division
200 Oceangate, Suite 900
Long Beach, CA 90802

Tel: (562) 499-6312
Fax :(562) 499-6317

E-mail: PRABHUL@slc.ca.gov

or

Mark Meier
Senior Staff Counsel
State Lands Commission
100 Howe Avenue, Suite 100 South
Sacramento, CA 95825-8202
Tel: (916) 574-1853

E Mail: MEIRM@slc.ca.gov

AVAILABILITY OF STATEMENT OF REASONS AND TEXT OF PROPOSED REGULATIONS

The Commission will have the entire rulemaking file available for inspection and copying throughout the rulemaking process at its Long Beach office at the address above. As of date this notice is published in the Notice Register, the rulemaking file consists of this notice, the proposed text of the regulations and the initial statement of reasons. Copies may be obtained by contacting Livin Prabhu at the address and telephone number listed above.

AVAILABILITY OF CHANGED OR MODIFIED TEXT

Following the public comment period, the Commission may adopt the proposed regulations substantially as described in this notice. If modifications are made which are substantially related to the originally proposed text, the modified text, with changes clearly indicated shall be made available to the public for at least 15 days prior to the date on which the Commission adopts the regulations. Requests for copies of any modified regulations should be sent to the attention of Livin Prabhu at the address indicated above. The Commission will accept written comments on the modified regulations for 15 days after the date on which they are made available.

AVAILABILITY OF FINAL STATEMENT OF REASONS

Upon its completion, copies of Final Statement of Reasons may be obtained by contacting Livin Prabhu at the above address.

AVAILABILITY OF DOCUMENTS ON THE INTERNET

A copy of Notice of Proposed Action, Initial Statement of Reasons, and the text of the regulations in underline and strikeout can be accessed through the website of California State Lands Commission at:

http://www.slc.ca.gov/Division_Pages/MFD/MFD_Home.htm